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SUBJECT: GBAGBO INTERVENES TO STOP PORT STRIKE

REF: ABIDJAN 366

¶11. (U) Summary. A three-week-long strike at the Port of Abidjan ended June 17 after President Gbagbo promised to resolve all of the striking dock workers' grievances and ordered the release of workers who had been jailed. The strike resulted in some violence and a major disruption of port operations. While a wage dispute triggered the strike, increased competition and jealousies among the groups that represent dock workers appear to be key underlying factors. The involvement of personalities close to the president, particularly Port Director Marcel Gossio, reflects the importance that revenue from the port plays in Cote d'Ivoire.
End summary.

BACKGROUND

¶12. (U) The employment status of 5,600 dock workers in Abidjan is rather tenuous. While port operators, such as the Societe d'Exploitation du Terminal de Vridi (SETV), which manages the container terminal, hire a small number of full-time, permanent workers, the majority of dock workers are day laborers assigned to port jobs by an agency representing shipping companies known as the "Syndicat des Entrepreneurs de Manutention et de Transit des Ports d'Abidjan et San Pedro" (SEMPA). While Sempa makes decisions regarding which workers will have jobs on a day-to-day or month-to-month basis, many of the workers perform the same duties for the same operators for extended periods. The various port operators pay Sempa, which is responsible for setting wages and distributing salaries. Sempa retains a percentage (reportedly 10-15 percent) of the total paid to cover its own costs.

¶13. (SBU) Some 11 unions represent Abidjan's dock workers. A relatively new union, the Collectif National des Dockers et Dockers Transit pour la Defense de Leurs Droits (CNDD), created in 2007, has become the primary dock-workers union. Some local media have asserted--and post contacts have confirmed--that Gossio instigated the creation of CNDD with the intent of siphoning business and money away from Sempa. Many of the workers the CNDD hired are reportedly former members of the Young Patriots, a group that actively opposed the 2002 coup attempt and is not adverse to the use of violence. Some post interlocutors believe the union gained popularity by making unreasonable promises to its workers.

¶14. (U) Since the creation of CNDD, port managers have heard rumors of strikes, and workers have undertaken various "spot actions," such as slow-downs. Beginning in late 2008, CNDD began to push for better pay. Accounts vary, but post contacts generally agree that the union asked for an extraordinary wage increase: to an average wage of approximately USD 8.00 per hour rather than the existing wage of approximately USD 0.60 per hour for unskilled laborers. (The minimum wage in Cote d'Ivoire is CFA 3,500 per month, or roughly USD 0.40 per hour.) The union also asked for payment of bonuses for performance of certain specific duties.

¶15. (U) In May 2009, following mediation by the Interior Ministry (which dock workers reportedly preferred as a mediator over the Transportation Ministry or Labor Ministry,

given the previous failed attempts f Transportation and Labor to resolve the issues, SEMPA agreed with the CNDD to increase certainbonuses, but SEMPA did not agree to an increase n hourly wages, which are tied to Cote d'Ivoire's minimum wage and could only be changed through GOC action. (Note: Interior Minister Desire Tagro s a member of the FPI and a very close advisor t President Gbagbo, whereas Transportation Minister Albert Toikeusse Mabri leads one of the small opposition parties. End note.)

THE STRIKE

¶16. (U) The strike began at midnight on the night of June 1-2. While CNDD leaders based the strike on SEMPA's alleged failure to pay the agreed-upon bonuses, most workers were effectively striking for a significant pay hike on which there was no agreement between SEMPA and CNDD.

¶17. (U) On June 4, port authorities threatened to fire all the dock workers and replace them with new recruits from SEMPA. On June 5, as the strike continued, port authorities started recruiting new workers. On June 8, strikers positioned themselves in front of the port to prevent the new recruits from working. The confrontation turned violent, and police used tear gas to disperse the dock workers. Some dock workers were arrested, and at least three strike-breakers were hospitalized. Gendarmes and police later implemented increased security at the port.

¶18. (U) Port activity initially continued, with actual employees of the port-operating firms and monthly workers from SEMPA carrying out port functions, but the strike had the expected effects on port business: a variety of firms reported that delays in moving goods through the port created rising stocks, client complaints, and losses of contracts. The timing of the strike--at a low point in the cocoa harvest and export cycle--probably lessened the delays in moving goods through the port. In recent days, however, activity slowed to a standstill, increasing the cost to private industry as well as to the government.

¶19. (U) President Gbagbo met June 16 in Touba with Yves Colibu, Secretary General of the National Workers Union, and Guei Plike, the recently designated spokesman for the CNDD union. The president reportedly agreed to help resolve all of the dock workers' grievances and gave orders for (a) the release of imprisoned workers; (b) the dismissal of complaints filed against the union; and (c) the re-hiring of workers who went on strike.

COMMENT

¶10. (U) The port is a critical element of the Ivoirian economy. In 2008, exports of goods and services represented approximately 49 percent of GDP, and imports of goods and services were the equivalent of about 40 percent of GDP. Some 90 percent of Cote d'Ivoire's total trade passes through the Port of Abidjan. Additionally, the port is the point of entry for many goods bound for Cote d'Ivoire's landlocked neighbors. An estimated 65-70 percent of GOCI revenue comes from the port, a fact that helps explain President Gbagbo's interest in averting a lengthy shutdown of operations.

¶11. (U) It appears that although wage complaints were the proximate cause of the strike, the CNDD's interest in flexing its muscle was a key underlying factor. Some have suggested that port management may have actually encouraged the strike as part of a plan to break SEMPA's monopoly. Others have suggested that the strike is the result of a split between Ivoirian and foreign workers or between workers of different political parties. Post cannot corroborate this information; however, it is clear that political calculations played an important role in this strike.

¶12. (U) Post interlocutors close to the situation do not feel that the strike was a symptom of general economic conditions or a sign of widespread labor discontent. In fact, a top SETV executive reported that overall port activity for January through May 2009 (prior to the start of the strike) was ten percent above port activity for the same period last year (a surprisingly positive figure, given the global economic downturn). Although exports decreased during the first five months of 2009 compared to the same period last year (primarily because of declines in exports of cocoa beans and timber), imports were at roughly the same level as last year, and transshipment operations increased significantly.

¶13. (U) Although officials have not released any estimates of the strike's costs to the port, Ivoirian businesses, or the economy in general, the strike's effects almost certainly included a decrease in GOCI revenue, diminished corporate profits, and increases in the cost of critical consumer goods, such as rice, most of which is imported from Asia. These are consequences that Ivoirians can ill afford right now and also help explain President Gbagbo's eagerness to help resolve the strike.

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